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Report to Governor John E. Baldacci On the Pre-Emergency Energy Task Force Phase One: Immediate Needs, 2008

Maine Governor's Office of Energy Independence and Security

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Governor's Pre-Emergency Energy Task Force Final Report

I. Executive Summary:

Our nation, region and state have become dangerously dependent on unreliable, insecure and expensive foreign oil and natural gas. As the fossil fuel bill in the State of Maine escalates to nearly \$8 billion a year, it is clear that there is a dramatic need to change the energy culture and consumption patterns in our state, region and nation. The combustion of fossil fuels contributes to climate change, damages the environment, threatens public health, undermines our economic vitality, erodes national security and diminishes our quality of life. As energy prices continue to rise to historic levels, with benchmark crude recently reaching \$147/Bbl on the NYMEX, it is clear that this stark energy reality has substantially increased the economic vulnerability of Maine's citizens, businesses and industries.

The failure of the Federal government to enact a national energy policy and its inability to act quickly in response to rising energy prices has left it up to each state to ensure that its citizens are safe, that its freight can move, and that its businesses can operate. Despite these challenges, Maine, in collaboration with other states, through the National Governors Association, and the New England Governors' Conference, has already taken a number of actions to reduce overall energy consumption and to mitigate the impacts of high energy prices on Maine people. However, more work remains to be done and seven specific, short-term action recommendations are outlined in the following report. This work will require not only leadership by the state, but public/private partnerships that will be essential to assist the business community, not-for-profits, neighborhood groups and federal agencies carry out the necessary tasks to ensure that all Maine citizens are safe, secure and warm this upcoming winter and into the future.

There are two main causes for an energy emergency. The first is a supply problem caused by a disruption or curtailment in the energy supply chain, typically initiated by a storm, an accident or some other unforeseen event. The second is when the high cost of energy disrupts the consumers' ability to purchase fuel. Due to the rapid increase in energy costs, many Mainers are currently experiencing the second type of energy emergency, since they are no longer able to afford the high cost of fossil fuels. Heating and transportation fuel costs have increased 100% in the last five years, now constituting between 10% - 20% of many Mainer's monthly incomes; this is up from 5% just a few years ago.

The impacts of rising energy prices are particularly acute in Maine where 99.9% of people are dependent on petroleum products to fuel their vehicles and 80% are dependent on oil to heat their homes. Existing programs such as General Assistance, Meals on Wheels, case management for mental health programs, in-home care, Food Stamps and other safety-net social service programs are already at the breaking point with large increases in case load. With the impending winter, it will be even more challenging to meet the public's needs.

The establishment of the Pre-Emergency Energy Task Force (Task Force) and this report is the result of the Governor's Executive Order of November 16, 2007 and the Governor's subsequent directive of June 11, 2008 assigning the Task Force the responsibility to investigate the escalating heating oil, gasoline and diesel prices in the State of Maine. The purpose and duties of the Task Force are as follows:

1. Undertake the actions specified in the recently adopted Maine Energy Emergency Plan that shall include, but not be limited to, situation assessment, inter-governmental communications and coordination, implementing a proactive vision of public information and readiness for emergency communications, shelter and travel.
2. Analyze specific steps that can be immediately taken to reduce the deleterious effects of high heating oil and diesel prices on Maine citizens and businesses and recommend to the Governor and the Legislature measures to help alleviate the safety risks and the burdens these escalating prices are having on Maine people.
3. Once preparedness steps and immediate actions have been taken to reduce the harmful impacts of the escalating energy prices, the Task Force is to explore long-term solutions for the heating oil and transportation sectors and to explore mechanisms for increased energy efficiency programs for homes and businesses that heat with liquid fuels.

II. Maine's Successful Energy Policies and Programs

A. Maine's Energy Policies:

Maine is a national leader in the development of innovative energy programs and policies. For example, Maine was the first state in the nation to implement an energy efficiency program and the first to pass legislation addressing global warming.

The State's current energy and transportation policies include administering LIHEAP funds to 50,000 homes annually, working with the Maine Congressional delegation for appropriation of additional funds to meet increasing demand and overseeing the Keep ME Warm program that raises private funds for emergency heating oil assistance.

The State's "Lead by Example" initiatives include purchasing 100% renewable electricity for state government operations paid for by energy conservation improvements in all state buildings; requiring the state to meet 30 mpg for passenger cars purchased for state use; reducing straight #2 heating fuel by about 13,000 gallons annually by the use of biodiesel on the Augusta campuses; requiring state buildings to incorporate LEED standards into the design, construction, operation and maintenance of any new, expanding or existing buildings; and Maine has increased the number of efficient hybrid vehicles in the state fleet from one to 90 hybrids.

Maine's recent Executive and legislative accomplishments include the development of a State of Maine Energy Emergency Management plan; Maine's participation in the Regional Greenhouse Gas Initiative; streamlining and improving permitting for utility-scale wind power projects; implementing the Maine Uniform Building and Energy Codes; codification of the Governor's

Office of Energy Independence and Security in state statute; passage of a Climate Action Plan and sign-on to the New England Governors' and Eastern Canadian Premiers climate agreement with a goal of reducing statewide greenhouse gas emission to 1990 levels by 2010: 100% below 1990 levels by 2020; and 75-85% reductions in the long term; and requires electricity providers to supply at least 30% of their total retail electric sales using renewable power with a goal of increasing new renewable-energy capacity 10% by 2017.

In relation to transportation, Maine has expanded its state rideshare, carpool and vanpool programs and adopted the California global warming tailpipe emission standards.

Next legislative session, existing net-metering and interconnection standards will be reviewed and reconsidered in order to promote the development of renewable power generation.

B. Maine's Energy Programs:

Maine currently administers an electricity energy efficiency program, provides low-interest loans to homeowners and truckers for energy efficiency improvements, administers heating and other energy assistance to low-income people, and operates an innovative carpool and vanpool program.

Governor Baldacci's role as Chairman of the New England Governors' Conference has focused much of the Conference's work on significant energy, environmental and economic development issues. Governor Baldacci will host the New England Governors' and Eastern Canadian Premiers' annual conference in Bar Harbor, in September. The conference will discuss critical energy, environmental and transportation issues.

Regional Greenhouse Gas Initiative/Energy and Carbon Savings Trust

The Regional Greenhouse Gas Initiative (RGGI) is a cooperative effort by ten Northeastern and Mid-Atlantic states to reduce carbon dioxide emissions that lead to global warming. The initiative requires electric power generators in the participating states to reduce their carbon dioxide emissions through a multi-state cap-and-trade program with a market-based emissions trading system. Maine has taken a leadership role in developing the Energy and Carbon Savings Trust (Trust) for the implementation of the greenhouse gas reduction program. The Trust makes decisions on how to spend the proceeds from the sale of pollution allowances. 85% of the funds in Maine are to be spent on electricity efficiency, while 15% are to be spent on fossil-fuel efficiency programs.

Efficiency Maine

The Maine Public Utilities Commission (MPUC) administers "Efficiency Maine", the highly successful state-wide electricity energy efficiency program that helps residences, businesses and schools reduce energy costs through energy audits, incentives and loans. Efficiency Maine also provides certification and training and administers a renewable energy program that includes solar rebates and is currently crafting a small wind turbine rebate program. It also links Maine

homeowners with qualified, certified contractors who provide one-stop-shop access to a whole-house approach to home improvements through their Maine Home Performance program.

Overall, Efficiency Maine's accomplishments in 2007 included:

- \$101 million lifetime economic benefits for installed equipment
- 87,404 mega watt hours in annual savings
- \$3.85 to \$1.00 program-wide benefit-cost ratio
- 669 business projects completed
- 3.0¢ per kilowatt hour for efficiency savings
- 788,125 compact fluorescent light bulbs (CFLs) rebated
- 497,491 metric tons of lifetime carbon dioxide (CO₂) emission reductions

Finance Authority of Maine (FAME)

FAME in coordination with Efficiency Maine provides a low-interest loan program for owners of large diesel trucks to purchase Alternative Power Units (APUs). APUs provide an alternative energy source to run in-cab bunk and engine block heaters and use a fraction of the fuel consumed by an idling engine. Their use reduces truck idling and can save over \$12,000 per year in diesel fuel costs per truck, while also reducing fine particulate matter and greenhouse gas emissions.

Maine State Housing Authority (MSHA)

MSHA provides energy assistance by administering the federal Low Income Heating Assistance Program (LIHEAP) funds, as well as programs for low-income weatherization, low-income assistance to help pay utility bills, low-income appliance replacement, and a low-interest Home Energy Loan Program (HELP) for low and moderate income Mainers to finance energy efficiency and heating upgrades in their homes.

Go Maine

The statewide Go Maine Commuter Connections program, administered by Greater Portland Council of Governments and funded by Maine DOT and the Maine Turnpike Authority, is now in its 7th year of operation. Major services for commuters and employers include: Carpool and vanpool ride matching via the interactive website at www.gomaine.org or 800-280-RIDE; marketing and outreach campaigns targeting employers and commuters; an express commuter vanpool program; promotion of and partnership with transit, bicycling and pedestrian entities; and the Emergency Ride Home Guarantee.

In response to escalating fuel prices, Go Maine program activity and commuter registrations jumped dramatically. In 2007, 1,037 commuters registered for services; to date in 2008, an additional 2,650 commuters have signed on. There are now a total of 6,222 commuters in the ride matching database, and there 314 registered carpools. The Go Maine website received 1,648,555 hits in 2007 and nearly 1,500, 000 hits to date in 2008.

Eleven new vanpools were placed into service with eight on new commuter routes. There are now seventeen vanpools in the fleet (plus three spares) serving Greater Portland, the Augusta Region, and Lewiston-Auburn. Fourteen privately operated vanpools are also part of the system. There are a total of 266 registered vanpool riders and 10 new commuter vanpools are expected to be added to the fleet in late 2008 to meet increasing demand. Notable employers with active commuter marketing programs in place include: The Jackson Laboratory, University of Maine—Orono, Eastern Maine Healthcare, Bowdoin College, UNUM, Pen Bay Medical Center, L.L. Bean, Maine Medical Center, Loring Commerce Centre and many other large and small employers.

Maine State Planning Office

Through the leadership of the State Planning Office, Maine recently adopted the Uniform Building and Energy codes that include an appointed board that is authorized to amend, update and adopt the building, rehabilitation and energy codes for Maine. The new codes will be based on the International Building and Energy Codes and will go into effect statewide on January 1, 2010 with code enforcement required in towns with more than 2,000 residents.

III. Seven Short-Term, High-Priority Action Recommendations:

The following **final report** lays out **seven short-term, action recommendations** that were crafted by the Governor's Office of Energy Independence and Security (OEIS) based on the work of the Task Force's sub-committees including: Emergency Management; Passenger and Freight Transportation; Finance; Shelter and Housing; Keep Me Warm Fundraising; Energy Markets; Energy Efficiency and Conservation; Communications and Intergovernmental Relations; and Economic Development and Technology.

The following short-term, action recommendations expand upon Maine's existing energy and transportation programs to help meet the challenges of rising energy prices. The recommendations include:

- 1. Provide One-Stop Shopping for All Maine Energy Resources:** streamline all existing energy referral and information services into a one-stop shopping model with a single point of contact through Maine 2-1-1 to provide accurate and timely energy information and assistance to the public.
- 2. Expand Weatherization of Maine Residences:** Expand weatherization to 5,000 Maine residences through distribution of "warm kits" before this winter in order to reduce energy consumption and lower household energy bills for low-income households.
- 3. Increase Energy Audits of Homes and Businesses for all Maine People:** Provide a free, hands-on energy audit and weatherization training course through to hundreds of

volunteers and energy service providers through the community college system and other media venues.

4. **Provide Statewide Education and Training for What Maine People Can Do Now to Prepare for the Upcoming Winter:** Use educational and outreach materials through a variety of media outlets, utilities, churches and fraternal organizations, to inform people about what action steps they should take now to weatherize their homes before winter arrives.
5. **Expand Energy Efficiency Financing Tools for Hospitals, Schools, Nursing Homes, Municipalities, Social Service Agencies and Businesses:** Conduct outreach and education, provide technical expertise and facilitate energy audits for businesses while continuing energy financing programs for schools, nursing homes, municipalities and social service agencies.
6. **Increase Transportation Options and Reduce Fuel Consumption:** Expand existing alternative transportation programs like Go Maine, provide fuel wise tips, promote Free Fare Fridays, and implement transit-based strategies to reduce vehicle miles traveled.
7. **Keep People Warm and Secure in Their Homes This Winter and Beyond:** Local teams would assess local resources and needs, create an action plan for response and ensure neighbors help neighbors in keeping people safe, secure and warm this winter. The connection between rising fuel prices and the cost of food would be identified and purchase of local foods and local firewood resources for heating would be promoted.

1. Provide One-Stop Shopping for All Maine Energy Resources

Because a number of Maine's energy programs are housed and staffed at different state agencies, there is a strong need to consolidate all energy information and energy program referrals into one, easily accessible one-stop shop virtual location.

2-1-1 Maine Hotline

The existing 2-1-1 Maine hot line now connects anyone in Maine who wants to give help or get help with a full range of health and human services in their community. The Maine 2-1-1 system would be used to route all energy information requests to an "Energy Resource Desk" at each state agency that administers the state's energy programs. In the case of a declared energy emergency by the Governor, the "Energy Resource Desk" Team could be called together to provide energy information and expertise to help alleviate the crisis.

Once a phone call is placed requesting information about energy programs, heating oil assistance, financial incentives, etc. the Maine 2-1-1 operator would stay on the line until the call is transferred to a "live" state employee staffing that agency's "Energy Resource Desk" tasked with handling the request. The information request would be logged by the state employee

through a constituent-casework monitoring system where it would be tracked and followed up on to ensure timely information was received.

As a part of the one-stop shopping model and follow-up tracking, all energy-related requests for loans, rebates or other assistance would be processed within 30-days of receipt of all required application materials to ensure a timely response.

2. Expand Weatherization of Maine Residences

Facilitated and coordinated through local helping agencies, each municipality or region could mobilize local teams to help people weatherize their homes and connect needy neighbors with the resources they need. “Warm kits” would be made available to neighborhood teams with the goal of weatherizing up to 5,000 low-income Maine households in 2008. United Ways, senior community centers, municipal offices, community action agencies, faith-based organizations, and civic groups such as Rotary and Kiwanis would be engaged in this statewide mobilization and installation project. Local teams involved in these winterization efforts could also serve as neighborhood watch and support teams throughout the winter.

“Warm Kits” would contain a modest supply of home weatherization materials such as foam insulation for piping, caulking, weather stripping, compact fluorescent bulbs and window coverings. Do-it-yourself instructions would be included to enable a resident to make minor weatherization improvements without any special skills. Working with home improvement and hardware stores to pre-package and sell do-it-yourself “warm kits” would provide resources for middle-income families. These improvements will go a long way toward making homes more energy efficient and will reduce energy bills.

Make Weatherization Available to Everyone in the State

A plan to weatherize each dwelling in Maine is driven by the need to address:

- Maine’s dependence on foreign oil
- Helping Maine people and businesses cope with the economic challenges created by high oil prices.
- Global warming and climate change

There are 477,000 single family dwellings and 7,100 apartment buildings with 50,000 units throughout Maine. Weatherizing all residential units in Maine would reduce fuel use by 18% and save \$1.7 billion.

Multi-Family Residences

MaineHousing currently offers a Multi-Family Housing Energy Loan Program (Multi-Family HELP) to property owners in its existing affordable housing portfolio. To make it available to most of the other multi-family properties, two additional products could be added:

1. Market rate loans for multi-family properties with rents that are unaffordable to people at approximately 80% of area median income (AMI).
2. Low interest loans at 3 - 4% for properties with market rents that are currently affordable and agree to MaineHousing's long-term affordability standards. It is possible that there are quite a few owners who would find this appealing.

Oil Furnace Tune-Up Program

A Clean, Tune and Evaluate (CTE) program for residential oil furnaces and boilers would create the greatest fuel savings (10-15%) in the shortest amount of time for the largest number of people. One way to do this would be to supplement the program that MaineHousing currently runs for CTE's for Low Income Home Energy Assistance Program recipients.

Targeting low-income households with high oil usage would create large savings. At \$4.70/gal the average household would save \$606. The overall program would save \$909,450 which would be injected into the economy. The LIHEAP database tracks the date heating systems were installed so it is possible to focus on the oldest and typically least-efficient units first.

This program could be funded through the 15% of funds from the RGGI auction proceeds that are slated for fossil fuel efficiency.

Energy Efficiency Mortgages

In addition, work with Maine banks and credit unions to establish a state-wide offering for **Green Mortgages**, in which a mortgage provides a money-saving discount (for energy efficiency improvements) or a bigger loan than normally permitted as a reward for making energy-efficient improvements or for buying a home that meets particular energy-efficiency standards. In addition, develop a listing of all financial institutions in Maine that offer green mortgages and include on the state's energy website. A more energy-efficient home means lower utility bills and, as a result, greater income, qualifying a prospective homeowner to buy a more expensive house.

Location-Efficient Mortgages, or transportation green mortgages should be pursued as well. A location efficient mortgage is a mortgage that helps people become homeowners in location efficient communities. These are convenient neighborhoods in which residents can walk from their homes to stores, schools, recreation, and public transportation. People who live in location efficient communities have less need to drive, spending less money on fuel and overall car expenses.

Energy Efficiency Clearinghouse

The state would establish an energy efficiency webpage and clearinghouse where people can access information on energy efficiency, upcoming workshops, trainings, and other efficiency-related information via a web page.

3. Increase Energy Audits of Homes and Businesses for all Maine People:

OEIS in conjunction with Maine State Housing Authority and the CAP agencies will seek to weatherize 5,000 homes this winter and eventually weatherize all 477,000 Maine homes. In addition, the state would expand a program that will provide training for do-it-yourself energy audits and weatherization improvements. This free, hands-on training by a nationally recognized energy efficiency expert, will be offered at all seven campuses of the Maine Community College System located in Auburn, Bangor, Fairfield, Presque Isle, South Portland, Calais, and Wells—and nine off-campus centers located in Augusta, Bath, Caribou, Dover-Foxcroft, East Millinocket, Ellsworth, Houlton, South Paris, and South Portland—and will offer real-time videoconferencing of the course so that people statewide can access the training.

The training course would also be made available through a variety of media via DVD, an online Web-based course, YouTube video presentation, as well as the weatherization video that will be available shortly at www.Maine.gov.

The course will take advantage of materials already developed by EnergyStar (www.energystar.gov/ia/home_improvement/home_sealing/DIY_COLOR_100_dpi.pdf) which features do-it-yourself guides that instruct users in various weatherization techniques such as insulation and air sealing ("A Do-It-Yourself Guide to Sealing and Insulating with Energy Star" and "A Guide to Energy-Efficient Heating and Cooling").

Additional actions could include:

- Partnering with home improvement and hardware stores in which free DVDs or rebates could be offered to customers with the purchase of weatherization materials.
- Partner with public radio and television and community access cable channels to broadcast the training course and MSHA's "how to" video as part of their programming.
- Provide instructor training and course materials to local community groups that are already in their communities teaching people how to do energy audits and weatherization.
- Make course materials and videos available to people who already visit homes on a regular basis such as meter readers, oil dealers, in-home care workers, as well as state and federal intake workers who process applications for food stamps, general assistance and other programs.
- Distribute thousands of Energy Star brochures to town offices and libraries.
- Include links to the Energy Star do-it-yourself guides and brochures for distribution on all state websites and the www.maine.gov "Energy Assistance" page.
(<https://www.energystar.gov/index.cfm?fuseaction=publications.showPublications>)

In addition, the State could work with the Maine Homebuilders Association and other groups to collaborate with contractors and construction companies to bring to focus more of their work on weatherization and energy efficiency, especially considering the slow down in the construction field due to the slump in the housing market.

4. Provide Statewide Education and Training for What Maine People Can Do Now to Prepare for the Upcoming Winter:

The energy challenges we face today are real, expensive, tangible, and long-term. Given the reality that state government can't possibly provide assistance for everybody, it is important that we communicate straightforward and easy-to-understand messages to help people cope, to help people make good decisions, and to provide people with information that allows them to take personal responsibility and regain a sense of control personally and as a community. Further, it is important that information be shared through reliable and trusted sources to provide the best chance for acceptance and action.

As we communicate, the focus must first be on the immediate crisis and then on long-term solutions and policies. This will help the public focus on the short-term crisis as they make difficult choices between food and fuel, while giving them assurances that we are working on the long-term solutions as well.

Information is power. Messages that call people to action can engage them in solutions. The following communication strategies would mobilize local energy emergency and weatherization response efforts and to empower people to take personal responsibility for their energy decisions. The state would do so by providing educational materials on how they can take steps individually and as a community to help themselves and their neighbors stay safe, secure and warm this winter.

Public Service Announcements for Radio and Television

- A “weatherize and mobilize” message focused on community responsibility and action.
- A “take action” message:
 - Focus on conservation and weatherization tips
 - Encourage budget-conscious decisions and personal responsibility
 - Suggest how people can help:
 1. Donate money to the Keep ME Warm Fund
 2. Organize or participate in regional or local response team
 3. Look out for your neighbors

Newsletter article(s)

Provide newsletter articles to all stakeholders, service providers, faith-based organizations, civic groups and others.

1. Call to action to form regional winter response teams and local neighborhood emergency response teams, outlining the who, what, when, where and how of response team development.
2. Top 10 steps to weatherize your own home and business.

Keep ME Warm Brochure

In order to capitalize on the strong brand created by previous Keep ME Warm efforts, the text and logo should be used predominantly for fundraising and for information sharing related to those efforts. The previously developed Keep ME Warm brochure would be reviewed and revised as a vehicle to promote fund development, provide energy savings tips and information on who to contact for help in an energy emergency (2-1-1 Maine).

Governor's Energy Efficiency Workshops for Residences, September, 2008

OEIS in conjunction with other state agencies would sponsor Energy Efficiency workshops in 2008 for the residential sector to learn about energy audits, weatherization techniques, alternative heating sources and make connections with non-profit organizations, civic groups, contractors, home improvement and hardware stores, state-based training materials, etc. in order to prepare for the coming winter. These workshops would be much like the successful Governor's Energy Efficiency Summit held in April that focused on the industrial sector. The interest for that event was very high and over 500 people participated.

5. Expand Energy Efficiency Financing Tools for Hospitals, Schools, Nursing Homes, Municipalities, Social Service Agencies and Businesses:

Expanding energy efficiency efforts at businesses, schools, municipalities and hospitals through existing state and federal administered financing programs would help reduce energy consumption and lower energy bills. Businesses in particular need to make energy efficiency upgrades in order to stay competitive, retain jobs and expand their business operations. In addition, the State and the private banking sector currently administer a number of financing programs for energy efficiency aimed at low-income, moderate-income, business, municipalities, non-profit, and local government entities.

Business

Education and Outreach Through the Maine Chamber of Commerce and Utilities

The state would work through the Maine Chamber of Commerce, local chamber affiliates, small business associations and utilities to disseminate information on energy efficiency upgrades to businesses including Efficiency Maine's business programs, energy audit program and low-interest loan program. Chambers of commerce are well-suited to distributing information to their members as well as providing forums for education on energy efficiency improvements.

Energy SWAT Teams

The OEIS would work with statewide networks in collaboration with other energy experts to work with businesses, non-profits, local governments and school districts to carry out a review of their existing energy usage, and identify opportunities for energy efficiency upgrades and

savings. This review would consist of five steps as well as an energy project implementation plan to consider project costs and potential financing.

Five-step “Swat Team” Plan to Lower Energy Costs for Businesses:

1. Conduct energy-savings audits.
2. Energy Efficiency and Conservation Programs
3. Energy Optimization; implements demand response programs to -lower electricity rates by shifting time of usage by large customers.
4. Tri-Generation; captures waste heat from industrial and commercial operations to provide heating, cooling and power needs.
5. Wholesale Energy Procurement; aggregates electricity purchases at a reduced price for businesses.

Facilitate Energy Project Implementation:

- “Go-no-go” feasibility studies with project scope, budgetary costs and savings, energy balance and a Performa.
- Pre-engineering with design criteria, detailed project scope, approximate project costs.
- Identify low interest financing where possible.

Train Department of Economic and Community Development’s (DECD) Business Development Specialists to Conduct Informal Energy Audits

OEIS in conjunction with other energy experts would train DECD business development experts to facilitate energy audits and energy savings services for businesses. With additional energy efficiency and training these Business Development Specialists work in the field directly to make sure hundreds of companies and economic development organizations take advantage of Maine's valuable business resources. Their primary goal is to make it simple and easy to do business in Maine. With additional training, Business Development Specialist would maximize the five-step Energy Swat Team plan to lower energy costs whenever they visit a Maine business.

Schools, Hospitals and Nursing Homes

The following state program is available to Maine schools through **Efficiency Maine** for energy assistance and funding:

- **Rebuild America - Maine EnergySmart High Performance Schools Project:** connects national, regional, and state resources to support the construction of energy smart, high performing schools to people who make school design and financing decisions in Maine - the administrators, boards, and volunteer building committees in the cities and small towns contemplating new school buildings. Through this grant the Maine Public Utilities Commission’s State Energy Program and Efficiency Maine program, partner with the Maine School

Management Association (MSMA), a statewide, non-profit federation of local school boards and superintendents. The MSMA directs the day-to-day activities of an EnergySmart Schools Circuit Rider who links the lay people engaged in the process of designing or renovating local schools with the resources provided by the Commission's Efficiency Maine program to assist in the application of efficient design techniques and renewable energy technologies.

The following federal program is available to Maine community facilities through **United States Rural Development (USDA)** for energy assistance and funding:

- **Communities Facilities Loan Program:** Community Programs provides grants, low-interest loans and guarantees loans to assist in the development of essential community facilities in rural areas and towns of up to 20,000 in population. Grants are available to public entities such as municipalities, counties, and special-purpose districts, as well as non-profit corporations and tribal governments.

The following state program is available to Maine universities, hospitals, and nursing homes through **The Maine Bond Bank** for energy assistance and funding:

- The **Maine Health and Higher Educational Facilities Authority (MHHEFA)**: provides eligible non-profit colleges, universities and licensed healthcare facilities access to capital markets by issuing low cost, tax-exempt bonds and lending the proceeds to finance or refinance the acquisition, construction, and renovation of facilities. Tax-exempt bonds issued through MHHEFA result in interest rates that are much lower than conventional bank financing.

Municipalities and Nonprofits

The following state programs are available to Maine municipalities and nonprofits through the **Maine Municipal Bond Bank** for energy assistance and funding:

- **Maine Power Options through the Maine Bond Bank:** give local governmental and nonprofit organizations access to group-purchasing programs that are designed to increase their buying power for the purchase of fuel oil and electricity.

(See Appendix I for a complete listing of energy financial assistance programs in Maine.)

(See Appendix II for a complete listing of available financing tools in Maine.)

6. Increase Transportation Options and Reduce Fuel Consumption Through Education of Employers and Outreach to Business:

The rural nature and expansive geography of the state contributes to long commute times in Maine. Coupled with the lack of a comprehensive transit system linking the entire state, which is difficult at best in rural areas due to insufficient densities, reducing vehicles miles traveled and fuel consumption in Maine is a challenge.

Strategies incorporating education and outreach to the public, enhancing transit and rail travel, and re-evaluating how we commute to work are ways to provide sensible transportation solutions.

Outreach and Education

Outreach and education of Maine's existing transportation programs is essential in getting people out of their cars and into carpools, vanpools and alternative modes of transportation. The state would examine alternative work schedules for state employees and continue "Free Fare Fridays" where everyone rides for free on Maine transit.

Public Service Announcements would immediately be issued highlighting all of the state's transit services through media such as MPBN, radio stations and public access stations that could air these on radio and TV, as well as press advisories, press conferences and tours of public transit to engage the public's interest. A free TV advertising campaign would also be developed with the National Ad Counsel.

The state would also work to increase the Go Maine commuter database, provide information to state employees via state web pages and email blasts about the service encouraging people to join the carpool registry, or use alternatives programs such as Carpoolworld.com and eRideShare.com as well as other transit options. It would investigate dealer donations of vans and possible leasing arrangements to increase the number of vanpools. It would also utilize Variable Message Signs (VMS) on highways to reach tens of thousands of commuters and other travelers to generate public awareness of different commuter options. It would also conduct outreach to communities and businesses in areas where Park & Ride lots are either full or non-existent to locate and secure new parking.

Outreach to other employers and employees would include information about tax credits that promote non-single occupancy vehicle commuting options, parking "cash-out", transit commuter benefits such as "commuter choice pre-tax incentives", preferential parking for carpoolers, educational forums, videos and materials such as drive-wise fuel tips, the latest information on fuel-efficient cars and

Customized Transit

Outside high-travel corridors and urban areas, transit services would be customized to be effective. The internet is the ideal tool to connect the service providers with the public.

Department of Transportation would enlist the UMaine system or Colby/Bates/Bowdoin to help find ways to further study and improve on customized public transit for rural states.

Transit

Increasing transit options and securing additional transit buses would be initiated by engaging private bus operators through short term public private partnerships to operate temporary bus service on major corridors, such as Interstate 295, creating tax incentives for volunteer drivers which provide hundreds of thousands of trips each year, covering of millions of miles, before high gas prices force them to give it up and implementing a statewide electronic fare card for transit.

Streamlining the transit procurement process would shorten the existing 18-36 month process for procurement so that providers can get new buses on the road, including “piggybacking” on bus orders that meet specifications but aren’t state bids. (Look at tri-state (ME, NH, VT) bids.) In addition, the state would look at the feasibility of building and rehabilitating transit buses in Maine –many of the buses procured have serious problems. This would ensure a quality product and provide a meaningful boost to the Maine economy.

Rail

During the last legislative session, the Legislature passed and the Governor signed into law, LD 2019, An Act To Implement the Recommendations of the Governor's Task Force on Passenger Rail Funding, which commits the necessary funding to allow for the rehabilitation of the rail line from Portland to Brunswick. The capital expansion will enable the Downeaster – which has been extremely successful in the northeast corridor – to extend service to Brunswick and hopefully further west and north in the future.

In an effort to continue to preserve rail corridors for future freight enhancements and passenger expansion, the State recently bought the final stretch of railway needed to re-establish train service between Portland and Fryeburg, on the old Mountain Division Rail Line. The recent purchase of a 5.2-mile section between Westbrook and Windham completes the line from Portland to Fryeburg, where it connects to an active line in New Hampshire.

In order to augment the passenger rail network on the Downeaster route with additional stops at strategic locations along the way, self-propelled cars would be used. Working with rail companies that have existing equipment would provide passenger service on existing state-owned rail lines on routes such as Rockland to Brunswick and Augusta to Brunswick.

Efficiency

Educating the public and businesses on how to go further on a gallon of gasoline or diesel would reduce the pollution caused from idling vehicles, and save drivers money. Businesses and independent trucking companies would receive training and information to help reduce idling and reduce fuel costs.

Freight

Rail

The Rail Access Initiative Links program would provide immediate relief for businesses in need of connections to railroads if implemented, and could be done immediately. Approximately 1 dozen sidings using 100 lb stick rail would be provided for a demonstrated need.

The Local Freight Rail Assistance Program is a revolving loan program for owners of property adjacent to rail lines and railroads to improve their access to rail service. DOT would examine any loan repayments that may exist and move quickly to provide support for property owners.

Trucks

The Truck Efficiency Tax Incentives Program (TETIP) Pilot Program is a program of tax incentives for small fleet motor carrier operations. It provides capped tax incentives for energy saving and efficiency improvements for owners of Maine resident owned truck fleets. Motor Carrier Tax Savings will be from the Corporate Income Tax, modeled after the Smart Way Transport Partnership. It would create incentives for efficiency improvements to enhance fuel efficiency, reduce emissions, idle reductions, and speed controls, advanced tire technology, advanced lubricants, and empty weight reductions.

Continue to advocate for a 100,000 lb. federal weight limit for Maine Interstates that will provide immediate relief to Maine shippers and truckers at no cost. Changing this federal law will increase payload productivity up to 44% and reduce fuel consumption per loaded ton.

Encourage fuel efficiency for truckers and fleets by facilitating free training opportunities offered by private companies such as Caterpillar that focus on anti-idling, progressive shifting, reducing maximum speed. In addition, educate truckers and fleets to consider using biodiesel and aggregate buying for less expensive fuel costs.

7. Keep People Warm and Secure in their Homes This Winter and Beyond

Building upon the Governor's Pre-Emergency Energy Task Force Housing Subcommittee's original decentralized response plan, *Keeping People Warm at Home*, this winter, teams in local communities, would assess local resources and needs, create an action plan for response and inform 2-1-1 Maine and VolunteerMaine.org of local resources to meet emergency energy needs throughout all regions of the state. Education and communication through local and statewide media venues would direct people to help through 2-1-1 Maine. Keep ME Warm would provide energy conservation tips and information on how to avoid energy emergencies.

These local teams are made up of United Ways, CAPS, local, regional and state leaders, faith-based organizations, and civic groups, etc. will assess local resources and needs, create an action plan for response and inform 2-1-1 Maine and VolunteerMaine.org of local resources to meet

energy emergency needs throughout all regions of the state. Education and communication through local and statewide media venues will direct people to help through 2-1-1 Maine.

Keep ME Warm, will continue to raise private funds through foundations and Maine businesses to provide heating oil assistance to those who cannot afford it, regardless of eligibility for federal programs.

Volunteer Maine, will continue to match individuals who want to provide energy help in their communities with those in need. The website VolunteerMaine.org will be referred from Maine 2-1-1.

The connection between rising fuel prices and the cost of food would be identified and steps would be carried out to help address the impacts on Maine people. Promotion of local foods, cutting your own firewood from state lands, and reaching out to eligible beneficiaries about the existing Department of Health and Human Service programs would be pursued.

Additional efforts would include:

- Sponsoring local energy workshops to educate people how to weatherize their homes, in partnership with Town Energy Committees and local do it yourself stores such as home improvement and hardware stores.
- Expanding use of Electronic Benefit Transfer cards using wireless card scanners at all Farmer's Markets from the current 18 locations.
- Increasing the standard utility deduction for food stamps determination providing individuals with more food assistance. (Request pending.)
- Pursuing Community Development Block Grant funds for use by homeowners and community housing organizations for weatherization work.
- Expanding the Department of Conservation's "cut-your-own" firewood program from state-owned lands and provide firewood at a reduced rate, as well as secure volunteers to cut the wood for distribution from local town halls for people in need.
- Expanding promotion of Maine Department of Agriculture's "Get Real. Get Maine." program that connects the public with information on where to find Maine food, farms, events and information for Maine farmers.
- Continuing to promote private donations to food pantries, food distribution centers and the Meals-on-Wheels program.
- Continuing program access for food stamps in Maine from the current 74.2% to 80%. (Maine has the most successful access rate in the nation currently.)
- Partnering with the Office of Elder Service and Area Agencies on Aging (AAA) to staff an information booth at the Lifestyle Expo at the Augusta Civic Center.
- Increasing transitional benefits for working Temporary Assistance for Needy Families Transitional (TANF) families beginning September, 2008 making more household income available for food and utilities.

- Expanding federal options for families with children up to 185% of the federal poverty level for food stamps.
- Continuing the TANF families housing special needs increase in order to pay for utilities and food.

IV. Conclusion:

The nation, state and region are experiencing an affordability energy emergency caused by the volatility and uncertainty in the complex international energy commodities and financial markets. **Since the causes of the dramatic increases in the price of fossil fuels are international in scope and beyond our control, the findings and recommendations referenced in this report focuses the State's attention on those areas we can reasonably identify and respond to in the short-term with the fiscal, technical and personnel resources available to us.** As these findings suggest, the state is overly dependent on expensive, insecure and environmentally damaging fossil fuels. The combustion of these fossil fuels not only reduces the State's economic security by the export of nearly \$8 billion a year to foreign oil producers and refiners, it contributes to climate change, damages the environment, threatens the public health and undermines our economic vitality.

Due to a lack of a clear and consistent national energy plan, Maine has been and will continue to work on mitigating the impacts of rising energy prices on Maine people. There are many things the state is already doing and others it can expand upon in order to meet this challenge.

The Governor's Office of Energy Independence and Security, based upon the recommendations of the Governor's Energy Task Force, has highlighted these high priority recommendations that the State could implement before this winter.

In conclusion, I would like to thank the Governor, his staff and all the members of the Governor's Pre-Emergency Task Force for their leadership, support and coordination during this critical 30-day study period.

Respectfully submitted,

John Kerry

John M. Kerry, Chair
Governor's Pre-Emergency Energy Task Force